

**ATTACHMENT J-14
AWARD FEE PLAN
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ATTACHMENT J-14 AWARD FEE PLAN

1 INTRODUCTION

The Deepwater contract will employ a Cost Plus Award Fee contract type for system integration and management requirements. This clause sets forth specific criteria and procedures used to evaluate system integration and management performance and to determine the amount of award fee earned for award fee task orders. Any changes to this Award Fee Plan will be made through bilateral contract modification.

2 EVALUATION PERIOD

An evaluation period is the period of time for which the Contractor's performance is evaluated. An evaluation period of every twelve (12) months, beginning from date of basic contract award, is established for the Deepwater System Integration and Management Work performed under CPAF, unless otherwise changed by the Government.

3 ORGANIZATIONAL STRUCTURE

- a) Performance Evaluation Board. The PEB will evaluate the Contractor's performance as related to the Award Fee Evaluation factors listed in Section 6 of this plan. At the end of each twelve-month evaluation period, the PEB will prepare a written report of its evaluation which shall include recommendations as to the adjective rating and numerical score to be assigned to the Contractor's performance during that evaluation period.
- b) Performance Monitors.
 - (1) Coast Guard performance monitors shall monitor, evaluate, and assess Contractor's performance in assigned areas and discuss the evaluation results with contractor counterparts as appropriate. Additionally, the performance monitors shall use, at their discretion, evaluations and assessments from other Coast Guard officials in preparing reports on assigned areas. The performance monitor will periodically prepare reports for the PEB.
 - (2) The PEB Chair may change monitor assignments at any time without advance notice to the Contractor. The PEB Chair will notify the Contractor promptly of all monitor assignments and changes.
- c) Fee Determination Official.
 - (1) All performance recommendations made by the PEB will be considered by the Fee Determination Official (FDO). The Program Executive Officer (PEO) will serve as the FDO. The FDO, after considering available pertinent information

and recommendations, shall make a determination in accordance with the provisions of this plan.

- (2) The FDO shall appoint the PEB Chair and Members.

4 EVALUATION PROCEDURES

A determination of the dollars earned for each evaluation period will be made by the FDO within 45 days after the end of the period. Procedures to be followed in monitoring, assessing, and evaluating Contractor performance during each period, are described below.

- a) No later than 45 calendar days prior to the start of each evaluation period, the Contractor may submit to the Contracting Officer recommended areas of emphasis and weightings for the ensuing evaluation period that are within the general factors listed in Section 6 of this plan. Consideration will be given to the Contractor's recommendations; however, it is the Government's responsibility to establish the specific areas of emphasis for each evaluation period.
- b) No later than 30 days prior to the start of each new twelve-month evaluation period, the Contractor will be notified by the Contracting Officer of the selected areas of emphasis and weightings for that period. The initial evaluation period areas of emphasis will be provided by the Government at the Post-Award Conference. Emphasis will be directed at particular areas under the contract which appear to the Government to be deserving of special attention and will be used in judging the Contractor's performance. These areas of emphasis will not necessarily cover the entire spectrum of performance that will be evaluated in determining award fee dollars earned. Other pertinent factors included under the contract and general factors bearing upon overall performance will be considered as the facts and circumstances of each period may require.
- c) The Contractor shall be apprised of a general assessment of his performance at the mid-point of the period, and at such other times as may be deemed appropriate. It shall be the purpose of these meetings to discuss any specific areas where the Contractor has excelled, and where future Contractor emphasis may be necessary.
- d) Promptly after the end of each twelve-month evaluation period, the PEB shall meet to consider all the performance information it has obtained. At the meeting, the PEB will summarize its preliminary findings and recommendations in the Performance Evaluation Board Report (PEBR).
- e) The Contractor may furnish a separate self-evaluation report within 10 calendar days after the expiration of each evaluation period. These self-evaluation reports shall not exceed 20 pages in length each. The PEB will not submit its recommendation to the FDO until (1) the Contractor's self-evaluation report has been received and considered, or (2) the Contractor has provided written notification that a self-evaluation report will not be submitted, or (3) the 10-day period provided for submission of the report has expired.

- f) The PEB Chair will prepare the PEBR for the period and present the findings and recommendations to the FDO. The reports will include an adjective rating and a recommended performance score with supporting documentation. The Contractor will be notified of the PEB evaluation and recommended ratings and scores, and will be provided copies of the PEBR. The Contractor may provide additional information for consideration by the FDO by notifying the PEB Chair of its desire to do so. This is an opportunity for the Contractor to provide any information which the Contractor believes is relevant to its performance and which may affect the FDO's determination. Any additional information should be provided to the PEB Chair within five (5) calendar days of Contractor notification of the PEB recommended rating and score. This additional Contractor information will be provided to the FDO by the PEB Chair.
- g) The FDO will consider the recommendations of the PEB, the PEBR, information provided by the Contractor, if any, and any other pertinent information in determining the performance scores. The FDO's determination of the scores will be stated in a written Award Fee Determination.
- h) The Award Fee Determination will be provided to the Contractor by the Contracting Officer. The Contractor may, after notification of the FDO's determination, request, through the Contracting Officer, a briefing by the FDO. This briefing should be conducted no later than 45 days following the conclusion of the award fee period. Award fee determinations made by the FDO are not subject to the disputes clause.

5 AWARD FEE PROVISIONS

- a) Base Fee: Base fee is the minimum (or fixed) fee the Contractor will earn regardless of performance. The base fee has been set at three percent.
- b) Available Award Fee: Available Award Fee is the maximum discretionary fee the Government may award to the Contractor based on the contractor meeting or exceeding predetermined award fee percentage proposed and fixed in the basic contract, to the estimated cost to arrive at an aggregate dollar amount, which becomes the award fee pool. The obligated estimated cost for award fee form the cost baseline for computing the amount of award fee. The final percentage score for the evaluation period is applied to the available award fee pool (i.e., sum of available award fee on the System Integration and Management task order) for each 1 year contract period.
- c) Available Award Fee By Period: Award fee may be either funded (obligated) up front as "available award fee" and then later released by unilateral modification (where unearned fee is de-obligated) or may be obligated at time of award fee determination at the discretion of the Contracting Officer.

6 EVALUATION FACTORS AND WEIGHTS

The following are the criteria for initial period Award Fee determination. These factors and weights will be reviewed and adjusted prior to each award fee period as described in Section 4 of

this plan, and over time may reflect a shift towards increased emphasis on performance of total systems integration responsibilities and achievement of the program objectives of maximizing operational effectiveness and minimizing total ownership cost.

Factor	Weight
Overall program management including effective implementation of an IPPD approach, program control and reporting, and technical programmatic reviews	25%
Cost control and reporting for System Integration and Management products/deliverables	25%
Quality, completeness, accuracy of work, technical competency of staff, and ability to meet delivery schedule for System Integration and Management products/deliverables	20%
Extent to which innovation, designs, processes, and concepts have been introduced that result in operational performance improvements and/or TOC reductions	20%
Flexibility and ability to adapt to changes in program requirements, priorities, schedule, or direction	10%

Each of the factors above will be scored on a scale of 1 to 100 and multiplied by the indicated weight. The sum of the weighted scores will yield a total numerical score.

7 AWARD FEE RATING METHOD

The rating table below will be used to develop the PEBR. It includes adjectival ratings as well as numerical scoring system of 0 to 100. Earned award fee is calculated by applying the total numerical score to the award fee pool. For example, a numerical score of 85 yields an award fee of 85 percent of the award fee pool for that evaluation period. No fee will be paid when the total evaluation score is less than 61. In addition, any factor that receives a score of less than 61 for “poor/unsatisfactory” performance will not be rewarded and shall be converted to a factor score of zero. The table below lists the award fee evaluation adjectival ratings with their corresponding score ranges. In addition, a narrative description is also provided.

Adjective Rating	Range of Perf. Points	Description
Excellent	(100-91)	Of exceptional merit; exemplary performance in a timely, efficient, and economical manner; very minor (if any) deficiencies with no adverse effect on overall performance.
Very Good	(90-81)	Very effective performance, fully responsive to contract requirements; contract requirements accomplished in a timely, efficient, and economical manner for the most part; only minor deficiencies.
Good	(80-71)	Effective performance; fully responsive to contract requirements; reportable deficiencies, but with little identifiable effect on overall performance.
Satisfactory	(70-61)	Meets or slightly exceeds minimum acceptable standards; adequate results; reportable deficiencies with identifiable, but not sustainable, effects on overall performance.
Poor/Unsatisfactory	(less than 61)	Does not meet minimum acceptable standards in one or more areas; remedial action required in one or more areas; deficiencies in one or more areas that adversely affect overall performance.